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**ACTIVITY: DRILLING DOWN:  
CREATING A FRAMEWORK FOR ESTIMATING COSTS**

Time needed: 30 minutes

**Suggestions for Presenters**

1. Distribute the *Drilling Down* handout to the large group. Participants will use the information on givens and assumptions to complete the drill-down tool. Participants should determine their own givens and assumptions and then calculate the cost associated with the desired project outcome. They don't have to use any of the assumptions in the drill-down example given above.
2. Divide the participants into small groups, with five to seven members each. Have each group choose someone to report back to the larger group.
3. Ask the groups look at the example and then to complete the Drilling Down worksheet for their #1 strategy.
4. Wrap up the exercise by asking the reporter from each group to summarize the group's "take-away" ideas for working with the financing strategy.

**Materials Needed**

- Drilling Down worksheet and copies of the Florida article and Finance Project/Kansas City article as handouts for further reading
- Easel, flip-chart paper and markers for each small group

**Handouts**

- *Drilling Down Tool*
- Mitchell, A. & Ghazyini, A. *Florida's quality rating system: A conceptual model for estimating cost assumptions, explanations and supporting data.* (July 2007). Retrieved February 5, 2008, from [www.policygroup.org/downloads/policy%20brief%20series/2007-Q001a.pdf](http://www.policygroup.org/downloads/policy%20brief%20series/2007-Q001a.pdf).
- Stebbins, H. & and Hanson Langford, H. (2006). *A guide to calculating the cost of quality early care and education. Financing Strategy Series.* [www.financeproject.org/publications/costguide.pdf](http://www.financeproject.org/publications/costguide.pdf)